GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

R&B Department – APRDC – A.P.Road Sector Project–Widening and Strengthening of Pedana – Nuzvid – Vissannapet road from Km.7.000 to 58.920 and Km 62/250 to 95/460 in Krishna district - Revised Administrative Sanction – Orders – Issued.

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TRANSPORT, ROADS & BUILDINGS (R.III) DEPARTMENT

G.O.Rt.No.138 Dated 11th May, 2020

Read the following:-

1. G.O.Ms.No.28, Transport, Roads & Buildings (R.IV) Department, dated 18-2-2011.
2. From the Chief Engineer (R&B) CRN& Managing Director, APRDC, A.P., Vijayawada, Letter No.090812/APRSP/PNV-08/Main/GM/ENC/DCE-1/DEE-4/AEE12/2012, dated 18-4-2016, 28-11-2016.
3. From the Engineer in Chief (R&B) Admn, SH & MD, APRDC, Lr.No.090812/APRSP/ PNV08/ Main/GM/DCE-1/DEE 4/AEE 23/2018, dt.20.07.2017
4. From the Engineer in Chief (R&B) SH, PPP, CP & MD, APRDC, Lr.No.090812/APRSP/ PNV08/ Main/GM/DCE-1/DEE 4/AEE 23/2018, dt.23.03.2018
5. From the Director General (Vigilance & Enforcement), A.P., Appraisal Report No. 1(2915/ V&E/Engg/2019-1, dated 3-1-2020.

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O R D E R:-

In the reference 1st read above, administrative sanction was accorded for an amount of Rs.320.00 Crores for the work of "Widening and Strengthening of Pedana – Nuzvid – Vissannapet road" under A.P Road Sector Project with the World Bank loan assistance vide Agreement Dt.18.02.2011. In the letter 2nd read above, the Chief Engineer (R&B) CRN, & MD, APRDC, A.P., Hyderabad has stated that, in pursuance of orders in 1st read above, Technical Sanction was accorded for two reaches "Widening and Strengthening of Pedana – Nuzvid – Vissannapet Road from Km 7/0 to 58/920 in Krishna district. A.P (Package No. PNV –08)" for Rs.207.00 Crores and "Widening and Strengthening of Pedana – Nuzvid – Vissannapet Road from Km 62/250 to 95/460 in Krishna district. A.P (Package No. PNV– 09)" for Rs.113.00 Crores.

2. The Chief Engineer (R&B) CRN, & MD, APRDC, A.P., Hyderabad has also stated that, the work PNV-08 was entrusted to M/s Ramky Infrastructure Ltd., Hyderabad for an Agreement Value of Rs.165,33,88,518/- vide Agreement Dt.11.08.2015, @ 16.12% less over Estimate Contract Value of Rs. 197,10,91,527/-. The work was commenced on 07.09.2012 and was scheduled to be completed by 06.03.2015(i.e. 30 months). In view of the Contractor's continued poor performance even after several notices/meetings and failure to comply with the Notice issued under sub clause 15.1 (Notice to Correct), the Engineer has advised the Employer to terminate the Contract and to expel the Contractor from the site in accordance with Clause 15.2 by giving 14 days notice to the Contractor. The permission was accorded for termination of subject Contract under Clause 15.2 of Contract Agreement. Accordingly, a 14 days notice as contemplated in Clause 15.2 was issued to the Contractor, vide termination Notice Dt.07.12.2015 and the Contract was terminated vide letter Dt.20.02.2016.The Bank Guarantees towards Mobilization Advance, Performance Guarantee and Additional Performance Guarantee were en-cashed.

3. The Chief Engineer (R&B) CRN, & MD, APRDC, A.P., Hyderabad ., has also stated that a claim of Rs.109.62 crores has been notified to the Contractor on account of the losses suffered by the Government due to their poor performance in execution of Contract. On termination of Contract, it has been proposed to divide the balance work into three packages under National Competitive Bidding, as the World Bank loan period completes by May 2017, most of the work can be completed by the loan closure date and the loan amount can be utilized. The Balance work estimated to cost about Rs. 232.00 crores with the then SSR for the year 2015-16. The proposals were accordingly submitted to the World Bank vide letter Dt.06.04.2016 requesting for 'No Objection' for invitation of Bids for the three packages viz., PNV-08A (Km.7/000 to 22/100) for Rs.72.66 Crore, PNV-08B (Km.22/100 to 40/000) for Rs.70.72 Crores and PNV-08C (Km.40/000 to 58/920) for Rs.88.28 Crores totaling to Rs.231.66 Crores.

4. The Chief Engineer (R&B) CRN, & MD, APRDC, A.P., Hyderabad has further stated the World Bank in their email dated 14.4.2016 issued 'No Objection' for invitation of the bids for balance work in three packages. The Consultants submitted estimates for three packages including the work done by the original Contractor. The total cost of the Estimate worked out to Rs.310 crores against the original administrative sanction of Rs.207 crores for the Package PNV-08.

5. With the above, the Chief Engineer (R&B) CRN, & MD, APRDC, A.P., Hyderabad has requested to accord Revised Administrative sanction of Rs.423.00 Crores (PNV-08 for Rs.310.00 crores and for PNV-09 Rs.113.00 Crores) for the work "Widening and Strengthening of Pedana – Nuzivid- Vissannapeta road from Km 7/0 to 58/920 (PNV -08) and from km 62/250 to 95/460 (PNV-09) in Krishna District" and to ratify his action in splitting the works into 3 packages so as to complete the work at the earliest to utilize the loan amount to the maximum extent.

(Conti----2)

6. Government referred the subject matter to the Director General (Vigilance & Enforcement), A.P., with a request to enquire and furnish report for taking further necessary action in the matter. Vide report 3rd read above, the Director General (Vigilance & Enforcement), A.P., has made certain recommendations.

7. In view of the circumstances reported by the Managing Director, APRDC in the letters 2 nd to 4th read above, the recommendations of the Director General (Vigilance & Enforcement), A.P., in the reference 5th read above and after careful examination of the matter, Government hereby accord revised administrative sanction for an amount of Rs. 408.22 Crores (Rupees Four Hundred and Eight Crore and Twenty Two Lakh only) (PNV-08: Rs.295.22 Cr+PNV-09: Rs.113 Cr) for the work "Widening and Strengthening of Pedana – Nuzvid – Vissannapet road from Km 7/0 to 58/920 (PNV-08) and from km 62/250 to File No.cno2542/R.III(1)/2016-Part(1) 95/460 (PNV-09) in Krishna district" as against administrative sanction of Rs.320.00 Crores accorded vide G.O. 1st read above.

8. The Chief Engineer (R&B) SH &Managing Director, APRDC shall follow the following recommendations of the Director General (Vigilance & Enforcement), A.P.

a. Avoid delay in according revised Administrative approval in future and not to allow finalization of tenders without according Administrative approval/Revised Administrative approval.
b. Recover an amount of Rs. 5,65,502/- from the agencies of Package-08-B & Package 09 towards the lapses mentioned.
c. Not to proceed with the execution of work without obtaining necessary Administrative/Revised Administrative sanctions from the competent authority. Accord Technical sanction only after ensuring proper investigation and preparation of estimates by the consultants as huge variations are observed between estimates and actual execution.
d. Ensure completion of land acquisition, R&R and shifting of utilities before inviting tenders in order to avoid delay in execution and to avoid legal complications during execution of work.
e. Ensure that all the protection works to the embankments and structures are provided as per drawings and the leftover portions of road shall be completed before closure of agreements.
f. Initiate necessary steps to vacate the court stay orders on Land acquisition and shifting of utilities with the consultation of the Advocate General.
g. Take immediate necessary steps to complete the Major & Minor bridges at KM 45.020 and KM 57.330 on Budameru drain and Eluru canal respectively as these bridge portions form hindrances for smooth flow of traffic for the State Highway No.28.
h. Expedite the progress of work in Package-08-C as the progress is only 57% to make expenditure incurred so far fruitful. Also to expedite the land acquisition at Kowthavaram bypass for a length of 3.220 Km in Pacakage- 08-A and 120 m stretch of road length in Bommuluru village which was held up due to R&R problems under Package-08-B.

9. The amount sanctioned in para-7 shall be debited to Head of Account "5054-04-MH 337-GH 11-SH(33)-530/531".

10. The Chief Engineer (R&B) SH & Managing Director, APRDC shall take further necessary action accordingly.

11. This order issued with the concurrence of Finance (FMU-TR&B) Department vide their U.O.No.FIN-17023/307/2016-FMU (TR&B), 98398 (1078942), dt:28.04.2020.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.T.KRISHNA BABU
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Chief Engineer (R&B) SH& Managing Director, APRDC, Hyderabad.
Copy to:
The Pay and Accounts Officer, A.P., Ibrahimpatnam.
The Director of Treasuries and Accounts, Ibrahimpatnam.
The District Treasury Officer, East Godavari District
The Asst. Pay& Account Officer, East Godavari district.
The Finance (FMU.TR&B) Dept.
The P.S. to Hon'ble M (R&B).
The P.S. to Principal Secretary to Govt., TR&B Dept.
SF/SC.

//Forwarded By Order//

SECTION OFFICER